



CAMFIN s.p.a.

PRESS RELEASE

CAMFIN SPA'S BOARD OF DIRECTORS APPROVES RESULTS AT 30 JUNE 2008:

- **CONSOLIDATED NET INCOME: NEGATIVE FOR SOME €42 MILLION (POSITIVE € 9.1 MILLION IN FIRST HALF 2007). THE FIGURE REFLECTS THE WRITEDOWN OF ASSOCIATE PIRELLI & C.'S STAKE IN TELECOM ITALIA AND THE FAIR VALUE ADJUSTMENTS OF FINANCIAL ASSETS. PARENT COMPANY'S NET INCOME: -€2.9 MILLION, AN IMPROVEMENT OVER THE -€10 MILLION REPORTED IN FIRST HALF 2007**
- **IMPROVEMENT IN THE RESULT OF THE EQUITY INVESTMENT ENERGIE INVESTIMENTI. THE COMPANY RECORDED A POSITIVE EBITDA OF €8.8 MILLION COMPARED TO A NEGATIVE €0.2 MILLION IN FIRST HALF 2007. NET PROFIT AND A POSITIVE CONTRIBUTION TO CAMFIN EXPECTED BY YEAR-END.**
- **CONSOLIDATED NET FINANCIAL POSITION: DEBT OF €525.6 MILLION, AN IMPROVEMENT OVER THE €666.3 MILLION REPORTED AT YEAR-END 2007 THANKS TO PIRELLI & C'S EXTRAORDINARY DISTRIBUTION. PARENT COMPANY'S NET FINANCIAL POSITION: DEBT OF €439.1 MILLION, AN IMPROVEMENT OVER THE €577.5 MILLION REPORTED AT DECEMBER 2007.**
- **IN 2008 THE PARENT COMPANY WILL BENEFIT AGAIN FROM THE DISTRIBUTION OF AN ORDINARY DIVIDEND BY PIRELLI & C., PAID LAST MAY, AS WELL AS FROM AN IMPROVED NET FINANCIAL POSITION; THE NEGATIVE FIRST HALF WILL, HOWEVER, WEIGH ON THE CONSOLIDATED INCOME FOR THE YEAR. THE PERFORMANCE OF THE FINANCIAL MARKETS THROUGH THE END OF THE YEAR WILL, AT ANY RATE, BE DECISIVE FOR BOTH THE COMPANY AND THE GROUP AS WILL THE DISPOSAL OF THE REAL ESATE IN THE RHO-PERO AREA, EXPECTED TO TAKE PLACE IN THE THIRD QUARTER**

Milan, 5 August 2008 – The **Board of Directors** of **Camfin S.p.A.** met today to examine and approve the half-yearly report at **30 June 2008**.

Group's operating performance in first half 2008

The Camifin Group S.p.A.'s consolidated financial statements at 30 June 2008 and the schedules required as per Legislative Decree 127/91 and Consob (Stock Exchange Regulatory Authority hereinafter referred to as "Consob") Regulations are presented in abridged form in which financial holding companies are consolidated on a line-by-line basis and operating and associated companies are carried at net equity.

Income from investments at 30 June 2008 is **negative** for some **€20.8 million** (mn), compared to a positive **€26.7 mn** in first half 2007. The change is attributable to the fair value adjustment of the Put & Call options on Pirelli & C. SpA shares held by the Group and, above all, to the results of associate Pirelli & C. S.p.A which were impacted by a further writedown of its stake in Telecom Italia.

The result of the equity investment in **Energie Investimenti** continues to improve and the contribution rose from **-€3.5 mn** in first half 2007 to **-€1.1 million** at 30 June 2008. This result, confirmed by the decided improvement in the associate's operating results (EBITDA for the half rose to **€8.8 mn** from **-€0.2 mn** in the same period of 2007), indicates that the company will close the year with a profit and that it will make a positive contribution to Camfin.

Consolidated net income, after net financial charges of **€16.9 mn**, is **negative** for some **€42 mn**, compared to a positive **€9.1 mn** in first half 2007.

With regard to the balance sheet, **financial fixed assets** at 30 June 2008 amount to **€375.8 mn** compared to **€1,174.6 mn** at 31 December 2007. The change in the half is due to the adjustment of the book value of the equity investment in Pirelli & C. following the latter's extraordinary distribution. This adjustment, equal to Camfin's portion of the distribution, will not impact the company's 2008 income statement. At 30 June 2008, the Camfin Group held 1,370,721,796 shares of Pirelli & C. S.p.A., equal to approximately 26.19% of the ordinary share capital. In addition to this stake the Group also holds Put & Call options on an additional 1.07% of Pirelli & C.'s ordinary share capital following the above mentioned extraordinary distribution.

The Group's portion of **net equity** totals **€358.7 mn**, compared to **€515.9 mn** at the end of 2007. The difference is largely attributable to the reduction in Pirelli & C.'s net equity (**€73 mn**) excluding the distribution of dividends to Camfin SpA, to the distribution of reserves in May 2008 (**€51.5 mn**) and, the remainder, to other Group companies' results.

The **net financial position** shows debt of **€525.6 mn**, an improvement when compared to the **€618.2 mn** at 30 June 2007 and the **€666.3 mn** at 31 December 2007. The change in the half is primarily attributable to the extraordinary distribution made by associate Pirelli & C.. Attached is the **reconciliation of the net financial position** of the holding system and full consolidated debt.

Parent company Camfin S.p.A.

Parent company Camfin S.p.A.'s net income shows a **loss** of **€2.9 mn**, an improvement over the loss of **€10 million** reported in first half 2007. The result, when compared to the prior year, benefited from the renewed payment of dividends by the associate Pirelli & C. SpA but still shows a loss due to an increase in financial charges and the fair value adjustments of the *Put & Call* options held by the Group on Pirelli & C. shares.

Net equity is **€545.6 mn** (**€600 mn** at year-end 2007). The **net financial position** shows **debt** of **€439.1 mn**, an improvement when compared to **€577.5 mn** reported at 31 December 2007.

Please note that the Parent Company Camfin SpA's half-yearly results are not subject to audit.

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Pursuant to the new dispositions relating to cumulative positions held by individuals in positions exercising control, such as members of the Supervisory Board, the Board of Directors acknowledged the company's new governance structure: the Chairman, Marco Tronchetti Provera, and the Deputy Chairman, Carlo A. Puri Negri, will continue to hold the ordinary powers granted as per the law and the company by-laws; the Chief Executive Officer, Giorgio Bruno, will continue to hold all the powers granted for the management of the company.

Events subsequent to 30 June 2008

On 9 July, Fondazione Fiera Milano, the Eni Group and Camfin signed an agreement which marked the birth of a consortium for the joint enhancement of an area with a potential gross floor area (gfa) of 120,000 sqm located in the cities of Rho and Pero near the new Milan Trade Fair Center. The area includes land owned by Camfin and the Eni Group, while Fondazione Fiera Milano holds the building rights.

On 1 August, as part of the corporate streamlining announced in 2007, the stakes held by the Group in Pirelli & C. Ambiente S.p.A. (49%) and Pirelli & C. Eco Technology S.p.A. (49%) were spun-off into Cam Partecipazioni S.p.A., a wholly-owned subsidiary of Camfin SpA,.

Outlook for the current year

In 2008 the Parent Company will benefit from the renewed payment of an ordinary dividend by the associate company Pirelli & C. S.p.A. and an improvement in the net financial position, while the negative results reported in the first half will weigh on the consolidated results.

The performance of the financial markets through the end of the year will, at any rate, be decisive for both the company and the Group as will the disposal of the real estate in the Rho-Però area, expected to take place in the third quarter.

Pursuant to Art. 154-bis, paragraph 2 of the Consolidated Finance Act, Financial Reporting Officer Roberto Rivellino declares that all figures contained in this press release correspond to the company's records, books and accounting entries.

In the present press release, in addition to the financial aggregates provided for as per the IFRS, there are also aggregates that have yet to be provided for under IFRS (« Non-GAAP Measures »). These aggregates are presented in order to facilitate a better valuation of the Group's operating performance and are not to be considered as alternatives to those provided for under the IFRS. More in detail, the following « Non-GAAP Measures » are utilized:

Net income from equity investments this is an intermediate aggregate that includes operating income and all items reported in the income statement not consolidated on a line-by-line basis, precisely dividends, shares in companies valued at net equity, loss of value in available-for-sale financial assets, capital gains/(losses) from the sale of available-for-sale financial assets. This does not include the fair value valuation of derivatives which are recognized directly in net equity.

Net financial position: this aggregate represents the gross financial debt less cash and cash equivalents, as well as other interest bearing financial receivables.

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In order to provide the most complete disclosure possible regarding the results at 30 June 2008, attached please find the abridged consolidated financial statements included in the half-yearly report. Please note that the attachments are not subject to audit by an independent auditing firm and that the latter has not yet completed its financial audit of the half-yearly report.

Attachment 1

Condensed consolidated balance sheet (*)

(in €/000)

	30/06/2008	31/12/2007	30/06/2007
Financial fixed assets	875.772	1.174.585	1.163.997
Plant, property and equipment	293	265	289
Intangible fixed assets	172	222	275
Net working capital	9.764	8.800	8.416
	886.001	1.183.872	1.172.977
Net equity	358.666	515.909	551.161
Reserves	1.717	1.680	3.573
Net financial position	525.618	666.283	618.243
	886.001	1.183.872	1.172.977

Condensed consolidated income statement (*)

(in €/000)

	30/06/2008	30/06/2007	31/12/2007
Group's share of result of investments carried at equity	(14.489)	21.632	29.793
Dividends received from other investments	10	-	-
Writedown of equity investments	-	-	(740)
Fair value adjustment for financial assets and liabilities	(6.366)	5.158	(597)
Trading income	-	(67)	10.349
Net income (loss) from equity investments	(20.845)	26.723	38.805
Net financial charges	(16.899)	(14.611)	(32.235)
Net overheads (including property management)	(4.293)	(2.895)	(4.175)
Pre-tax income (loss)	(42.037)	9.217	2.395
Current taxes	(1)	(15)	0
Deferred taxes	0	(107)	(694)
Net income (loss)	(42.038)	9.095	1.701

With financial holding companies and service companies consolidated on a line-by-line basis and operating companies carried at net equity.

Attachment 2

Reconciliation between the "holding system's" net financial position and full consolidated debt

(in €/000)

	30/06/2008	31/12/2007	30/06/07
Consolidated net financial position of the holding companies	(525.618)	(666.283)	(618.243)
Operating companies' net financial positions			
Cam Immobiliare S.p.A.	(22.307)	(24.546)	(23.761)
Perhopolis S.r.l. in liquidazione	193	189	214
Full consolidated debt	(547.732)	(690.640)	(641.790)